

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, May 15, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 27 students, Grades 5 and 6 Standing of the Elwick School. These students are under the direction of Mr. Selchen. This school is located in the Constituency of the Honourable Member for Seven Oaks, the Minister of Urban Affairs.

And we have 10 students, Grade 7 and 8 Standing of the Menniville School. These students are under the direction of Mr. Plett. This school is located in the Constituency of the Honourable Member for St. George, the Minister responsible for Manitoba Public Insurance Corporation.

On behalf of all the honourable members I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; the Honourable Minister of Mines.

INTRODUCTION OF BILLS - NO. 44 AND 46

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster) in the absence of the Attorney-General introduced Bill No. 44, the Planning Act (Recommended by the Honourable the Administrator of the Government of the Province of Manitoba.)

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East) introduced Bill No. 46, the Gas and Storage and Allocation Act.

MR. SPEAKER: Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. SIDNEY SPIVAK Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Mines and Natural Resources. There have been approximately 50 people laid off at Saunders. I wonder if he could indicate whether that was a management decision or a government decision.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the government is not involved in the day-to-day operations of Saunders Aircraft. The decision was made on normal commercial management grounds.

MR. SPIVAK: I wonder if the Minister is in a position to indicate whether the government was informed prior to the notices being given to the employees that they were going to be laid off.

MR. GREEN: Mr. Speaker, I believe I was advised on Monday by the Chairman of the Manitoba Development Corporation, that I could expect that there would be some layoffs at Saunders Aircraft.

MR. SPIVAK: I wonder if the Minister is in the position to indicate the reasons for the layoff given to him by the manager of the Development Corporation.

MR. GREEN: Mr. Speaker, there are normal commercial production requirements and labour supply reasons. I'm astonished that the Leader of the Opposition is concerned with layoffs at Saunders. My impression is that he wants them all laid off.

MR. SPEAKER: Order please. The Honourable Member for Fort Garry.

MR. L.R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, my question is to the same Minister and on the same subject. I wonder if he can advise the House whether there were violations of the seniority clause in the contract at the plant as alleged by union officials.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, if there are problems associated with the layoffs at Saunders they will be dealt with in a normal way by union and management, or by the Department of Labour. And Saunders Aircraft as a commercial institution in the Province of Manitoba is subject to the same laws and responsibilities with regard to their union contract as is any other employer. The union knows that, but the union appears to think that when the government is involved they have a way of bringing extra pressure in support of their position, as has been evidenced by the honourable member's question.

ORAL QUESTIONS

MR. SHERMAN: A supplementary, Mr. Speaker. Is it Saunders Aircraft or the Manitoba Development Corporation that's responsible for the import of a substantial number of workers under the work force?

MR. GREEN: Mr. Speaker, Saunders Aircraft is governed by a Board of Directors which operates the company. It is subject to the overall surveillance of the Manitoba Development Corporation from whom it has received its funds, which is subject in turn to the ultimate surveillance of the Government of Manitoba, which is the financial institution. But the operations respecting the layoff in seniority has been done internal through the Board of Directors and management of Saunders Aircraft.

MR. SHERMAN: A further supplementary, Mr. Speaker. Can the Minister advise who determined the terms of the contract under which the workers were imported?

MR. GREEN: Mr. Speaker, the relations between Saunders Aircraft and its employees are governed by collective agreement.

MR. SPEAKER: Orders of the Day. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is to the same Minister on the same subject. I wonder if he could indicate whether or not the slow-down at Saunders is related to the continuing delay in the obtaining of a certificate of air-worthiness for the S-28.

MR. SPEAKER: Order please. That's asking for an opinion. The Honourable Member for Roblin. Order please.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question of the Honourable Minister of Mines and Natural Resources and Environmental Management. I wonder if the Honourable Minister can advise the House if he's received any reports in the last couple of days of the excessive flooding of the Shellmouth Dam.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I have received some indication that some people are concerned with water from the Shellmouth Dam. I understand that that facility was installed by the previous administration of this province, but I agree with its installation and that it's operating in accordance with the rules which were set out for the Shellmouth Dam and for the reason for which it was installed.

MR. MCKENZIE: Well, Mr. Speaker, I again would like to ask the Minister if he's had any reports of excessive flooding this week?

MR. GREEN: Mr. Speaker, the word "excessive" is a very subjective word. My understanding is that the Shellmouth Dam was done because it is an improvement over natural conditions. That is why I believe that members of the opposition when they were in control of the government benches decided to spend that money for that purpose, and therefore the conditions now are better than they would have been without the Dam. The word "excessive" is subjective. I know that there are some people with water problems in the area.

MR. MCKENZIE: A further supplementary question. Now can I ask the Honourable Minister, who controls the levels of water at the flow in and out of the - the flow out of the Shellmouth Dam, the department or the Federal Government?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I believe that at the present time, and I'm not entirely certain, that it is our Water Resources Department. At one time there was a changeover between the federal department and ours but I believe it is our department. But howsoever it is controlled, Mr. Speaker, it is controlled in accordance with the policy measures for which the Dam was constructed.

MR. SPEAKER: The Honourable Member for Brandon-West.

MR. MCGILL: Mr. Speaker, my question is again to the Minister responsible for Manitoba Development Corporation and relates to the certificates of air-worthiness to be obtained for Saunders S-28 model. Does the final testing and the final completion of these tests depend upon the completion of a production line aircraft of this model?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I cannot be specific on a question of that kind. All I can tell the honourable member is that I am assured by federal authorities that proceedings toward a certificate are normal and that there is no reason in their mind why the certification proceedings now taking place will not result in a certificate being issued. I'm also advised by

ORAL QUESTIONS

(MR. GREEN cont'd) the Manitoba Development Corporation representatives that they are on schedule, that is on the most recent schedule and that I gave information that the certificate is expected sometime in the fall of 1975, that that is still the case.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: A supplementary question, Mr. Speaker. Does the layoff of 50 workers indicate an unforeseen delay in the production line of this model of aircraft?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Not as far as I know, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: A supplementary question. Has there been any difficulty with the tooling for this particular aircraft?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, there have been numerous difficulties with regard to the projections and production activities at Saunders Aircraft.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, could the Minister now indicate what the projected date is for the completion of the certification tests?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: . . . the honourable member would read my answer of two - not two days ago but two questions ago.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the First Minister. In view of the increasing rates in unemployment in Manitoba is the government giving any consideration to instituting the Senior Citizens Home Repair Program and other programs such as STAT programs?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the matter is under continuing surveillance. The Minister of Urban Affairs does have that in an active file, you might say.

MR. PATRICK: A supplementary. Of the increase in unemployment during the last few months, can the Minister indicate to the House what percentage of that increase was due to the emphasis of the work program that we had under the STAT and Home Repair Program. Is any of that increase due to those programs? Increase in unemployment.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I'm not quite sure of the import of the honourable member's question. We are functioning in Manitoba with an economy that is at de facto full employment, or virtually so.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable the Minister of Mines and Natural Resources in his capacity as the Minister of reporting for the Manitoba Development Corporation. Can the Minister advise the House as to the breakdown of the workers laid off at Saunders Aircraft, how many were skilled and semi-skilled labourers, how many were Canadians and how many were imports?

MR. SPEAKER: Order for Return. That's a better question for an Order for Return.

MR. SHERMAN: Well, Mr. Speaker, I'll rephrase the question. Can the Minister advise the House how many of the workers were skilled workers?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I can't answer any of the honourable member's questions because I do not know specifics of them.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Can the Minister advise us how we can obtain the information and the answers to these questions, if not through the Minister reporting for the MDC?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, it might be that the information is not obtainable. The Chairman of the Board of Directors of the MDC will appear before the Economic Development Committee again and you will be able to put questions to him. As to the nationality of a worker, displaced, I am not sure that he will be able to give you that information.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. I wonder if he can indicate whether the workers who have come over from the United Kingdom to work at Saunders are under a contract with Saunders.

MR. GREEN: Mr. Speaker, everybody who works for an employer has a contract of employment with his employer.

MR. SPIVAK: Mr. Speaker, to the Minister. I wonder if he can indicate whether the workers who have come over from England are under a contract in which there cannot be termination of their contract until it's completed.

MR. GREEN: Mr. Speaker, if they are and if that contract has been broken, I presume that they will seek legal advice for the enforcement of their rights; in which case I am almost certain they will not go to the Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister is in a position to indicate whether the workers who have come over from the United Kingdom and who are under contract have a provision which would prevent them from being laid off during the period of their contract.

MR. GREEN: Mr. Speaker, that is an entirely inappropriate question. If such rights are involved, they will be between the worker who allegedly complains a wrong and the company. And if indeed that is the case, then I would certainly urge that worker to go ahead and sue, and if he is right, he will recover.

MR. SPIVAK: Yes. I wonder if the Minister would then acknowledge that if a layoff is to take place of necessity Saunders would have to lay off workers who were not under contracts which had a provision that they could not be laid off during their period of employment, and that would mean the Canadian workers would be laid off?

MR. GREEN: Mr. Speaker, you know the honourable member proceeds with several assumptions, none of which are indicated or proven, and then proceeds to ask a question based on those assumptions. I believe that if there are rights that have been involved, if a union contract has been broken or individual contracts have been broken, then I will not ask any protection for Saunders Aircraft on those rights. The same way as if the honourable member hired somebody from England and offered them a contract and then fired them wrongfully, they would have a right to sue him, and I assume they'd have a right to recover. But as to whether the assumptions are or are not true, I am not able to confirm. I would hope that Saunders Aircraft behaves in accordance with their rights, vis-a-vis the employees not only under union contracts but under individual contracts, but I would hope that that is true of all employers in the Province of Manitoba; and my experience when I was a lawyer is that it was not true of many private companies.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, to the same Minister. Can the Minister confirm that management's action in effecting the layoff of the workers on Tuesday coincided with a union vote in the plant to affiliate with the New Democratic Party?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, you know, we don't interfere with the management operation of the company, but with whatever influence I have, if somebody was laid off either because they did not or did associate with the New Democratic Party, then I personally would do everything that I could to fire the person who laid them off.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Well, Mr. Speaker, a supplementary. In view of that assurance, may we take that as an undertaking from the Minister that he will look into this situation?

MR. GREEN: Not at all, Mr. Speaker. Not at all. I find, Mr. Speaker, that stupid irresponsible statements are made by many many people and I don't intend to look into every one of them --(Interjection)-- including Leaders of the Opposition in particular, that's right.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Co-operatives.

HON. HARVEY BOSTROM (Rupert'sland): Mr. Speaker, I was asked a question on Monday I believe by the Honourable Member for Assiniboia with respect to an employee in the Department of Co-op Development, Mr. H. Wolf. And the answer is that Mr. H. Wolf has indeed left the employ of the department, he had applied for and accepted a position with Federated Co-operatives, which I believe is a broader responsibility with more pay.

MR. SPEAKER: The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. I wonder if he can indicate now whether the RCMP have completed their investigation in connection with Schmidt Cartage.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, the honourable member asked this question on Monday I believe it was - Tuesday - and the answer remains the same Thursday as it was on Tuesday as far as I'm aware.

MR. SPIVAK: I believe that the Minister undertook this question as notice and indicated that he would inform the House as to whether the RCMP investigation had been completed. Now, I'm again asking, has it been completed, has he informed himself whether it has or has not been completed?

MR. PAWLEY: Mr. Speaker, the Crown Attorney has instruction to report to me as soon as he's received the additional information he's requested from the RCMP. He has not given me further information, therefore the investigation has not been completed.

MR. SPIVAK: My understanding of the Minister, and I would have to look at the Hansard, was that he took the question as notice.

MR. SPEAKER: Question please.

MR. SPIVAK: Did he ask the Crown Attorney this week whether he's received the information or not?

MR. PAWLEY: Mr. Speaker, I have not asked him since Tuesday. I will do so, but the understanding is he will report to me as soon as he's received the information.

MR. SPIVAK: To the Attorney-General. The Attorney-General, we've been informed is now in the process of investigating several matters referred to him by the Provincial Auditor.

MR. SPEAKER: Question please.

MR. SPIVAK: Yes, Mr. Speaker. I wonder if the Attorney-General can inform the House whether he has completed any of the investigations of matters that have been referred to him by the Provincial Auditor, and whether he can inform the House what matters that have been referred to are still under investigation by him.

MR. PAWLEY: Mr. Speaker, all the matters that were referred to our department by the Provincial Auditor in respect to Northern Co-ops and to other matters, have been examined by officials in my department. On the basis of the information supplied to my officials by the Provincial Auditor at this time, there is insufficient basis to warrant an investigation by the RCMP.

MR. SPIVAK: Then on that basis, I ask the Attorney-General, is the matter completed insofar as his department is concerned?

MR. PAWLEY: Some further information has been requested from the Provincial Auditor in regard to one item I believe insofar as the Co-ops are concerned.

MR. SPIVAK: Did the Attorney-General or his officials inform the Provincial Auditor that the matters are now completed, with the exception of the one matter that has been referred to him?

MR. PAWLEY: As far as the Department of the Attorney-General is concerned all those matters are completed which have been examined on the basis of material that has been submitted to the department, with the exception of one or two items on which we are waiting further information from the Provincial Auditor.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. Has the Attorney-General's department informed the Provincial Auditor of these facts?

MR. PAWLEY: Mr. Speaker, all that I'm aware of is that there has been repeated and constant meetings involving officials in the Department of the Attorney-General and the Provincial Auditor. I can only assume that in these meetings which have been repeated that such information has been conveyed back and forth.

MR. SPIVAK: I wonder if the Attorney-General would take the question as notice and determine the contradictory information that's been supplied by the Provincial Auditor to the Committee of the Legislature this morning with the answer that he's just given.

MR. SPEAKER: Order please. Order please. The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, on May 9th the Honourable Member for Fort Rouge asked me if I was

ORAL QUESTIONS

(MR. DESJARDINS cont'd). . . . in a position to confirm that two wards had been closed at St. Amant Ward as a result of provincial denial of a request for support. Well no wards were closed; three wards which previously had been used for adults are presently being renovated to accommodate children. The target date for completion is October 1975. This will add another 50 beds to the 222 now in use, all of them except 7 used for children.

Then the Honourable Member for St. James in my absence asked the question . . . the effective date this policy, the Owners' Equity would be dispensed with in the hospital? This will be effective April 1st, 1975, the liability for all future and existing debts incurred respecting the Owners' Equity contribution to either hospitals or nursing homes will be assumed by the Manitoba Government through the MHSC. I think the honourable member wanted to know in particular if it would apply to Seven Oaks Hospital. Although there has been a commitment at Seven Oaks, there will not be any Owners' Equity there at all. This will include all projects on the drawing board, all projects under construction, all construction completed or financed and resolved, construction completed or nearing completion, Owners' Equity received or committed but still pending, and construction completed 1958 to date and Owners' Equity borrowed and still outstanding. This is just the first year, at present all this is over \$2 million.

Oh, I should also add, the owners of hospitals and nursing homes will still have to provide the service land as they were before. This will not be changed.

MR. SPEAKER: Orders of the Day. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my question is for the Honourable the Attorney-General and relates to matters which were previously under discussion. With respect to the matter of the deficiency of inventory at Gardenhill Co-operative amounting to approximately \$29,000, which was referred to the Attorney-General by the Provincial Auditor, has the investigation of that deficiency been completed by the Attorney-General or is action still to be taken in that respect?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, all that I know is what I indicated earlier to the Leader of the Opposition. There have been meetings which involved the Deputy Attorney-General, other members of the Attorney-General's staff, as well as Mr. Ziprick, the Provincial Auditor. On the basis of those meetings there has been discussion as to what further information would be required from the Provincial Auditor. In regard to Gardenhill Co-op itself specifically, I would have to check in that particular instance.

MR. MCGILL: A supplementary question. Then this Gardenhill Co-op is not included in one of those which the Attorney-General indicated was terminated for insufficient evidence?

MR. PAWLEY: I would have to check that; I believe it is though, Mr. Speaker.

MR. MCGILL: A supplementary question. I wonder if the Attorney-General while he is checking that, would also take the Crane River Feedlot Co-operative - or is he able to answer there whether or not the deficiency of approximately \$40,000 has been proceeded with or is it terminated?

MR. PAWLEY: I know that the Crane River Co-op one is definitely closed.

MR. MCGILL: Mr. Speaker, a final question then. Was any action taken against any persons in respect to the loss of \$40,000?

MR. PAWLEY: If the honourable member is referring to the Crane River Co-op, the reference to Crane River was the disappearance of some cattle by the Crane River Co-op, and let me say, Mr. Speaker, that the view of my department I think would be of any legal officer, that the sheer disappearance of cattle does not in itself imply that there's been any criminal offence.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. I wonder then if he could indicate whether the investigations with respect to Crane River were undertaken by his office, or were they undertaken by the RCMP?

MR. PAWLEY: Mr. Speaker, I wish that the Leader of the Opposition would have listened a little bit more carefully to the answer I'd given earlier, that all matters referred to the department by the Provincial Auditor in regard to the Department of Northern Co-ops was examined by the Deputy Attorney-General and by other officers in my department, and on the basis of the information supplied by the Provincial Auditor, there was no basis for reference

ORAL QUESTIONS

(MR. PAWLEY cont'd). . . . in any instance to the RCMP for further investigation. There were several instances where further information I understand was requested from the Provincial Auditor.

MR. SPIVAK: I wonder then if the Attorney-General can indicate that his law officers determined or were given a satisfactory answer with respect to the missing cattle, in other words, they found the missing cattle.

MR. PAWLEY: Mr. Speaker, the lawyers in the Department of the Attorney-General are in no position to chase about looking for missing cattle, and the fact that cattle are missing without any other evidence indicating that any crime has been committed is not the basis for a criminal investigation.

MR. SPIVAK: I wonder if the Attorney-General is in a position to indicate whether the law officers who examined this were concerned at the loss of public money and the accountability of that public money relating to missing cattle.

MR. PAWLEY: Mr. Speaker, the Attorney-General's Department is involved in attempting to ascertain whether or not there is a basis for warranting a criminal investigation. Insofar as whether or not moneys have been spent properly or whether there's been a poor accounting in regard to moneys is not a matter that pertains to the criminal law.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. Is the Attorney-General then indicating to the House that his law officers' determination of the matter rested on the basis that there was insofar as they were concerned an accounting for the money that was not accounted for before . . .

MR. SPEAKER: Order please. The question is becoming argumentative, and I think we can follow this line of questioning in another area instead of the Question Period. The Honourable Leader of the Opposition.

MR. SPIVAK: With all due respect, Mr. Speaker. The Attorney-General's Estimates are completed, the Provincial Auditor appeared before a Legislative Committee today, the answers that the Attorney-General are giving are quite unsatisfactory and we are entitled to ask . . .

MR. SPEAKER: Order please. Order please. Precisely on the last point is one of the reasons why I suggest this line of questioning should be terminated, because a member may ask a question but he cannot insist on an answer and he cannot insist on the answer he desires even more. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, to the Attorney-General. Are the cattle still missing with respect to Crane River Feedlot?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I would not know. All that we received was information that there had been missing cattle that were referred to the Attorney-General's Department. But, Mr. Speaker, disappearance in itself does not imply the necessity of a criminal investigation, unless there's other circumstances that imply a criminal offence has occurred.

MR. SPEAKER: Orders of the Day. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question . . .

MR. SPEAKER: Order please.

MR. WATT: This may be repetitious, but I direct a question again to the Honourable Minister in charge of Water Control in the Province of Manitoba, where it appears that the Souris Valley is the most serious flooded area in the province. Can he give us some indication of the facts, if there is another crest coming, and a further crest coming through Minot?

MR. SPEAKER: Order please.

MR. WATT: We've already had one but there are two coming, according to the reports of the engineers in the United States . . .

MR. SPEAKER: Question please.

MR. WATT: The question is, if the information that I have got is correct.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I can only give the Engineers' Reports. I am not qualified to adjudicate on their correctness. You should ask your colleague to your left who is an engineer whether they are correct.

MR. SPEAKER: The Honourable Member for Arthur.

ORAL QUESTIONS

MR. WATT: Then on a further question. I suggest that the Honourable Minister . . .

MR. SPEAKER: Question please.

MR. WATT: Then I ask him, has he not got engineers in his department that can tell him directly what the facts are in regard to the flooding of the Souris Valley? How many acres have been flooded? How many acres have been flooded now and what will be further flooded?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, such information as I have, I have distributed a report in the House. If another one comes, and I will request it for the honourable member, on the Souris Valley, I will distribute it to him. If another crest is coming, or two more crests are coming, it will no doubt be contained in the Engineer's Report, which I have no intention of stealing from the Engineer's Department. That's right.

MR. SPEAKER: Orders of the Day. The Honourable Member for Arthur.

MR. WATT: If the Honourable Minister would then - since he says he will not be stealing from the engineers, would he steal some of the water and spread it out where it should be . . . where it is now is not desirable.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, from time to time the honourable members exaggerate my powers in this respect.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Attorney-General that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty. We intend to deal with Capital Supply, Mr. Speaker.

MOTION presented and carried and the House resolved itself into Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - CAPITAL SUPPLY

MR. CHAIRMAN: Order please. I refer honourable members to Schedule A of the Capital Supply - Manitoba Telephone System 40,576,000. The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, yesterday, the Honourable the Member for Brandon West raised a question with respect to the market sources for the debenture issues that the province will be making in the months ahead for purposes of hydro or for whatever other purpose. I answered tentatively and would like to give just a little more information to the honourable member today.

I suspect that I left the honourable member with the impression that we were only nominally dependent upon the Canadian bond market in respect to our financing requirements. I'd like to clear up any perhaps misimpression. The extent to which we went to Canadian market sources for hydro financing last year was to the extent of approximately 19 percent, 20 percent of our total market requirements. So that is not major, it is however more than nominal, that's about the ballpark, I think that the current thinking is that it will be about to the same extent in the next 12-month period.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Chairman, I wonder if the Premier would be prepared to answer a question based on that statement? Could the Premier indicate at what interest rate the bond offerings will be made. I ask the question because there was a serious problem in the selling of the Ontario Hydro bonds about three or four weeks ago going at 10 1/4 which caused a problem and I'm wondering if the Premier can give some indication what the offering will be at for Manitoba bonds?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, as the Honourable Member for Fort Rouge will appreciate I'm sure, it is literally impossible to speculate as to what interest levels we will be facing when we do go to the Canadian market, or any other market for that matter. He is quite right in pointing to the fact that in the past 60 days a couple of major Canadian utilities have had to pull their issue back because of unfavorable circumstances. The bond market, to put it bluntly, in the past quarter has been oscillating rather badly and is regarded

CAPITAL SUPPLY

(MR. SCHREYER cont'd). . . . temporarily as an unstable market. It is showing signs now of improving, improving from the point of view of a borrower. By combination of circumstances we have not been in a position where it's been necessary to pull an issue, but that could conceivably happen, although we'll do our best to avoid it.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, again I'd like to ask a question based upon the selling of the bond market. Is there any indication at this point that the Government of Manitoba would be using petro dollars or other forms of money that have been recycled through Arab States. And I ask the question again because of the caveat that many of the Arab States have put on the use of petro dollars and the use of money coming out of their loans in relationship to the kinds of conditions related to the discriminatory practices that they insist upon in terms of the use of such money. Can the Premier indicate if the government has a stand on that or whether they in fact will be securing or searching for such dollars?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I have heard rumours of that kind of practice being engaged in, although certainly there has been no hard evidence that there's been any expectation on the part of Canadian provinces that they should engage in some form of discriminatory practices in order to attempt to do business in the bond market with prospective Middle East lenders. How can I say, Mr. Chairman, as to what one calls petro dollars. Some available funds, loanable funds, I suppose are more easily described or labelled as petro dollars than others. But there is no way of being able to state definitively that a given debenture issue has been taken up by "petro dollars" directly or indirectly. We have done an issue in London relatively recently, there's no way that we could indicate that it was specifically "petro dollars" although I rather suspect that indirectly a good part of it was. I mean the money markets of the world are very fluid and there is no way that one can label conveniently and definitively whether a given taking up of an issue involves petro dollars for certain directly or indirectly. I suspect personally that it does involve petro dollars and that we are doing our part to help in the world program of recycling of petro dollars.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. SAUL CHERNIACK Q.C. (St. Johns): There's a comment I'd like to make on this point. I don't conceive of how a manager of a public issue could impose any restraints such as described by the Honourable Member for Fort Rouge. I've never heard of their doing it, nor can I see how they can do it, because when bonds come up on the public market they are purchased by people that are not really known to the borrower possibly until registration comes through which could be a matter of months. The terms are imposed by the borrower and negotiated with the syndicate or the managers.

Now I've never heard of a manager trying to impose any sort of conditions as to the use of the moneys. Government of course when it borrows indicates the use for the particular issue, that it might be for general purposes or for hydro or telephone or a mixture, and that is in the document which is distributed prior to the bonds going on the market. The only condition that I have heard that was imposed or attempted to be imposed in other jurisdictions was that if it was proposed that an Arab firm be a co-manager, or a major partner in a syndicate operation, that there has been an attempt in other jurisdictions to ensure that other people on what is called the tombstone, that is the people who have the authority to sell the issue, that they would insist on the removal from that list of certain firms which have been known to be dealing with the country of Israel.

I read with some pleasure that on one occasion in United States, the firm of Merrill Lynch which is one of the co-managers of our U. S. issues, that this firm rejected that kind of a requirement and the demand was withdrawn. I can only say that I am not aware of it during my term of office, which as members know continued until fairly recently, never was that brought to my attention as being a possibility; at the same time, never had there been a proposal during that time that there be a co-manager from the Arab countries. But I would hope that if in the future it is proposed that our government will do what it can to withstand that kind of pressure. I can only say what I would hope because I don't think the problem has arisen. If it does arise I would look forward to our government making sure that it does not

CAPITAL SUPPLY

(MR. CHERNIACK cont'd) bow to pressure of that kind of boycott.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wish to thank the Member for St. Johns and the First Minister for their answer of clarification. The reason for bringing the issue up was that it has been raised with me and as the Member for St. Johns points out, that this is something that is a fairly recent kind of occurrence in the world financial money markets and has been raised because in particular many of the large London financial houses are now having a large part of their capital reserves held or invested by Arab countries, and I believe that in the London financial market and some of the houses now have 60, 70 percent of their reserves really as - well petro dollars or Middle Eastern oil money being circulated in. And with the kind of declarations by heads of state of some of the Middle Eastern oil producing countries about their intentions, and I believe the Minister of Finance on the Federal Government level had made a statement somewhat similar to those made by the Member for St. Johns, I thought it should be important that we have a clear statement of the intent and purpose of this government, and I'm quite satisfied that that is so.

MR. CHAIRMAN: Manitoba Telephone System, 40,576,000. The Honourable Member for Birtle-Russell.

MR. HARRY GRAHAM (Birtle-Russell): Thank you, Mr. Chairman. Yesterday when we were dealing with this I was attempting to express to the First Minister some concerns that I have when we are dealing with capital for the improvement of the telephone system and the concern that I have that we ensure that when changes are made that they are for the improvement of those people that they are intended to serve. The basic point that I wanted . . .

MR. SCHREYER: I wonder if the Member for Birtle-Russell would mind if I just raise a point of order that, perhaps stating the obvious, that with respect to the different lines of Schedules A and B, there will be different ministers in a position to respond. So I take it in a sense the Member for Birtle-Russell is directing his remarks to the Minister responsible for the Telephone System.

And at the same time, Mr. Chairman, I would like leave of the House to establish the procedure also with respect to the Legislative Assistant to the Minister of Finance sitting at my side here. Unfortunately events may require my absence from the Chamber for perhaps three-quarters of an hour in which case my colleague would attempt to carry forward with the Estimates. If that's agreed. (Agreed.)

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Yesterday the Minister of Consumer Affairs was not present so perhaps I should start all over again right from the start. However, I won't. The point that I am concerned about is that with the changes that have occurred in my part of the province, we now find that long distance service is inferior to what we had before. We understand that the changes that are occurring in Brandon could have a beneficial effect on us and we sincerely hope that the capital that is being put forward at this time will ensure that the services which are needed in that area will in fact be provided.

MR. CHAIRMAN: The Honourable Minister of Consumer and Corporate Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Chairman, I appreciated the remarks made by the Member for Birtle-Russell. The capital program of the Manitoba Telephone System is designed of course to improve service throughout Manitoba. I think that the engineers of the telephone system and the rest of the staff of that system, despite his critical words, deserve to be commended for the kind of service that they can provide. Generally speaking, I think that Manitobans have been satisfied with the grade of service that has been provided; and I think they have been satisfied as well with rapid repairs that are undertaken when storms or other hazards of providing telephone service interrupt service for a short period of time.

I know that there has been over the past decades a move within the telephone industry and certainly within this province to convert telephone service through rural and remote areas to dial, and I think some 98 percent, or more than 98 percent of Manitoba subscribers are now served by dial. I think that that in itself is a remarkable figure to cite because it does indicate that unlike many other parts of the country, many Manitobans have a relatively modern form of basic telephone service.

CAPITAL SUPPLY

(MR. TURNBULL cont'd). . . .

I know that the Member for Birtle-Russell, from previous discussions, is concerned about the switchover that is occurring, I believe, in his area. I know that there are start-up problems of, I think, a minor nature, and that any difficulties that his constituents have encountered I think have been rectified, if they were in fact the problems arising within the system itself.

The moneys that have been allocated for capital this year will enable the system to continue the expansion of service to remote areas and will enable the continued conversion to dial service. In addition to that, the Member for Birtle-Russell will know that the telephone system in this province is continuing the program to reduce the number of subscribers for a rural line. The target is to be four subscribers for a rural line, the average now is I think just over five. This stands in marked comparison to some areas of the country where rural line loadings are much higher than even our average.

If the Member for Birtle-Russell can cite precisely the nature of the problems that he alluded to then I could have them dealt with in a more precise way but as I say, it's my understanding that the capital provided in this program will provide for improved future service. The kind of problems he believes his constituents are encountering, I understand, has been rectified; if not, I'd like to hear about it. And in any case, the maintenance or rectification of problems existing in installed plant is really not an appropriate matter to discuss under Capital Estimates for the coming fiscal year, although, of course, Mr. Chairman, I'm sure you would allow that kind of debate.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I guess maybe I should then give the Minister the story on why I raised the issue. On this past week-end while I was, I'll admit I wasn't in the House all the time, I was trying to do my farming, but every time I tried to make a long distance phone call, there were no circuits. And I tried repeatedly on my way into Winnipeg, even up as late as midnight, and that it wasn't until I got past Minnedosa and onto the Neepawa circuit that I was able to get a phone call through.

The last time I checked with the operator in Minnedosa she told me they had 14 circuits. Now since Russell is no longer a toll office and now is fully automatic, all the calls from that area are channelled through the Minnedosa exchange which puts a very heavy burden on the very limited number of circuits that exist in that exchange. We had pleaded for three years for the establishment of a toll office in Russell, because we expected that the problems that are now occurring might very well occur. We are now finding that they are occurring, that there are limited access lines. We have not got the service of direct distance dialing. We have to go through an operator. So we I hope will not be suffering under that problem for a great deal of time. I understand that when the changes are made in the Brandon system that we will in all likelihood be able to get Direct Distance Dialing then. All I said was I hope that the capital that is being provided will expedite this switchover because at the present time there are problems there and I hope they don't exist for too much longer.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Chairman, I have a couple of questions to the Honourable Minister as we look at this estimate of capital requirements. The question as to when the second television network or the CTV network services would be extended to the Parkland region and northwest Manitoba have concerned many people for a long time. As the Minister and the members of the committee well know we have been served by Saskatchewan CBC through the medium of CKOS Yorkton for many years. However that facility has been purchased I guess by CBWT Winnipeg and we are getting programming now on Channel 8 and they I guess have assumed all the rights that CKOS had. I believe there is some 12 or 15 hours a week of programming that's from the local area but it's very minimal.

But Mr. Chairman, the delay in bringing the CTV network to the Parkland region has brought to light the three Crown corporations or levels of government that seem to be up to now hindering this CTV installation, and the TV is programming a service which the people in the area have been expecting. It's my understanding that during the negotiations for the former CKOS TV Yorkton service, the CBC which is a federal Crown corporation, they asked for \$15,000 to strengthen the tower from CTV --(Interjection)-- the CBC asked CTV for \$15,000

CAPITAL SUPPLY

(MR. McKENZIE cont'd). . . . to strengthen the tower that's presently established on Baldy Mountain. They were going to put the two antennas on the one tower. And I think the rental fee as I understand it was another \$10,000 for the use of the tower. That was \$15,000 to strengthen the tower plus 10,000, this is what they were going to charge CTV. And I'm told that this deal could have been made privately through another station, the application that came was submitted by a broadcasting company from Brandon and it could have been done for \$10,000, and an annual rental fee of five. Now there's quite a difference in those figures. The one was 15,000 for the strengthening of the tower, the other one is ten, and the rental fee instead of being 10,000 a year was five. They're prevented from making this deal and taking advantage of the savings by the actions of this government, the Manitoba Telephone System.

Then the Federal Government gets into the act, and they threw another obstacle to this application from this Moffatt Broadcasting Company at Brandon, because they thought they could put a tower in the Riding Mountain National Park which was needed if they're going to extend the signal in from Brandon. But apparently they have a requirement, the Federal Government, in a provincial jurisdiction, you can't put a tower in the Riding Mountain National Park because it's a wilderness area. I don't know why the wilderness . . . the animals may scratch on the cable, the guy wires or the birds would roost on the antenna, but nevertheless this was the ruling according to my understanding, that they wouldn't let them put an antenna in the Riding Mountain National Park because of being a wilderness area.

Of course, Mr. Speaker, the next roadblock that was established in front of this Brandon Broadcasting Company apparently was set up through the medium of the Manitoba Telephone System of the government and Communications Canada which said that no private microwave communication can be established in Manitoba. Now I wonder, is that correct? I'm led to believe that maybe that's not true. So apparently then an alternative was offered for the Brandon Broadcasting Company when they found out they couldn't build the tower in Riding Mountain National Park, they said well then can we transmit it through the Manitoba Telephone System's microwave system. But again I understand that the prices that were quoted by Manitoba Telephone System to the Brandon people are considered to be excessively high, in fact very high . . . I wonder if the Minister can tell me what prices were quoted to this firm from Brandon. It makes me wonder, Mr. Speaker, why this Brandon firm were not allowed to set up their own private microwave system. Is that against the . . . And the second question: what's the quotation, what prices are you charging now to CBC for the use of those facilities and CTV when they come onstream?

MR. CHAIRMAN: The Honourable Minister responsible for Telephones.

MR. TURNBULL: Mr. Chairman, the Member for Roblin, I regret to say is dealing in past history and most of his history seems to be inaccurate. I can say of course that the broadcaster involved here has settled on an agreement with the Manitoba Telephone System and as I understand it, last time I checked a couple of months ago, is in the process of getting a program on track for the provision of second channel TV up the western side of the province to the areas that the Member for Roblin is talking about. The provision of that broadcast service is to be by Moffatt Communications, CTV not Stu Craig at Brandon which is the Brandon broadcaster that the member was erroneously referring to.

The question that he raises with regard to details of the transaction, I really have to get the prices on it. I do know that it is almost traditional in bargaining with broadcasters and cablecasters throughout Canada that they are always maintaining that the common carrier is not charging the most economic rental. Now I don't think that that is correct, Mr. Chairman. The common carriers, of which Manitoba Telephone System is one, do have the engineering staff and do have the expertise to provide the kinds of microwave transmission that can be best suited to the carrying of a variety of kinds of signal, and usually the price provided by a common carrier can be lower for the same quality of transmission signal than the price that can be provided by someone going into it to provide only a TV transmission signal.

And the reason for that is quite simple, Mr. Chairman. The private broadcaster would be putting up towers for signal purpose use, that is the carrying of a TV signal or a radio signal. The common carrier is putting up towers to carry telephone, data transmission, if that's going to be provided, cable if that's going to be provided as well as television and radio signals. And that multi use of the microwave transmission facilities does mean that

CAPITAL SUPPLY

(MR. TURNBULL cont'd). . . . the charge that is levied by the common carrier for the transmission of broadcast signal can in fact be lower. I'm talking here of course for the same quality of signal. Of course, if the broadcaster in order to save a few bucks wants to build at a lower quality level, well, of course, that can always be done. But for the same quality signal I do believe that the Telephone System can meet any price and provide a good economic price and high quality signal. And I think that the member - and I know some of his constituents in that area of the province - the member would like to have TV signal that is clear. If one has to put up with snowy signals that can be very annoying and I think that the Telephone System building to common carrier standards, good standards, can put in a signal that is clear, at the broadcast points anyway.

Now as I say, this contract to provide second channel TV has been negotiated as far as I know for his area and I think the service will be provided. The last time I checked as I said, provision of the program was on schedule and I do hope that service can be provided there. I think the member should recognize of course that broadcasters in the business to make money do tend to want to haggle about the price, the price of everything, and that's only natural, but I think they've got a good price and the citizens in his area will get a good signal and hopefully the signal will be delivered on time. I'm quite confident that the Telephone System will meet its schedule.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: I thank the Honourable Minister for the comments, but basically a private entrepreneur couldn't build up a microwave system in the province today - he would have to . . . Could I as a private citizen today establish a microwave network in the province?

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: The construction of microwave networks as with all radio Hertzian signal construction is of course the responsibility of the Federal Government under the Department of Communications. I think the member knows that DOC does require certain standards to be met and will licence only certain people to provide that kind of signal. Normally in this province the common carrier can meet the standards and can be licensed, although we do have competitive services in the form of C N-CP Tele communications. And there are other networks as well, but generally the carrier himself can, if in Manitoba, can get the licence and provide the service.

I should point out of course that in Manitoba we should recognize that competition from everybody who wanted to put in a transmission microwave system might result in uneconomic service being provided. It would be very similar to the kind of railway policy we had here in Western Canada from 1896 to about 1920. When railway lines were built, there were three competing lines and as we've learned since 1920, a lot of those lines did not prove to be economic over the long run and I think that in the interests of efficiency and the provision of signals at economic cost, the licensing of our common carrier is the best way to proceed.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Chairman. Well I've asked most of my questions when I was before the committee, but I don't remember posing the question as to whether there was any specific date set when there might be extended area service, because I know my area has been asking about it for a number of years and we've met with the Telephone people on different occasions. At that time there had already been some studies made.

The people in this area are really looking forward to it. We have in my area, and maybe it's a little more peculiar than some of the others, we have some growth centres like Morden and Winkler and Carman and places like that, Carman, Morden and Winkler; and we have other places like Miami, Roland, Darlingford and Snowflake which are very small centres, and they get very little use out of the exchange without having to pay long distance. And I know we were told when we held these meetings that it would cost us a little more, but in having talked with the people, they are ready to pay more. They're ready to pay more. So I hope that the department could get some time to study this and see if it couldn't be that we could move ahead in this area, in some of Manitoba anyway. So I was just wondering in the year ahead, if you have some money set aside in particular in which you are going to do more of a study on the extended area of service in some part of Manitoba, I was hoping that it would be the southern part.

CAPITAL SUPPLY

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: Mr. Chairman, there has been over the years that I've been associated with the Telephone Company here, first on the Board of Commissioners and then as the Minister responsible, studies that have been undertaken to provide extended area service, or EAS. The procedure that was worked out some time ago, as the Member for Pembina indicated, would have cost subscribers more for access to a wider exchange, a larger exchange area. And there was a detailed plan worked out, but it had some features about it which the System felt could be dealt with more satisfactorily if they developed a different form of system, of wider area of exchange. And that wider area of exchange has been called "meaningful exchange boundaries," I think, by the Chairman of the Telephone System, and I believe that the work towards widening exchange areas will be proceeded with in the near future.

Now, just which areas will get that kind of wider exchange calling area and what the scheduling of it is, I could not advise the Member for Pembina today, although I could attempt to get that information. I think he recognizes that these programs of the Telephone System, each individual program has to be worked into the total complex of programs and projects that the System has going in any given year, and in order to do that, in order to work all these programs being harnessed the scheduling of each capital program is a rather detailed matter and I would have to get advice from the System on it before I could give him specific details. But, as I say, there is a scheme that has been developed, it will be implemented, and certainly it is a scheme that I support, providing of course it can meet the needs of the people in the various areas concerned and do so at the kind of rates that they all would enjoy.

I think the essence of the meaningful exchange boundaries is that it will attempt to bring into one exchange area, or into an exchange area, those communities that have social and cultural relations, economic relations as well. And that, I think, is the essence of it - meaningful in the sense that it will put various communities that have these social, cultural and economic relations, into the same exchange area, thus eliminating long distance calling costs for the people living within that area.

But the Member for Pembina knows full well that no matter what exchange boundary the System draws and has approved by the Public Utilities Board, there will always be people that feel that they are on the wrong side of that boundary. They will be out of the common calling cost, they will be out of the exchange area, and they will have to pay a long distance charge. I hope he recognizes that and accepts it as one of the consequences of any kind of change.

Mr. Chairman, I have before me now the press release that was made some time ago in November, 1974, with regard to the second channel TV to north-western Manitoba that the Member for Roblin was mentioning and, if I have permission, I'll read it so that members can be familiar with what was made public last year. I'm reading the release now:

"The Manitoba Telephone System and CKY-TV, a subsidiary of Moffatt Communications Limited, announce with pleasure that a \$1.5 million agreement has been reached to provide a microwave delivery system from Brandon to Dauphin, The Pas, Flin Flon, Snow Lake and Thompson. CKY-TV will spend a further \$700,000 in transmission equipment to extend alternate viewing service to the approximate 87,000 persons living in these communities. Equipment deliveries and construction will mean that people in these communities can expect to enjoy CT Viewing Service according to the following schedule:" - now this is as of November 1974 - "Dauphin and Swan River area June 1975; The Pas and Flin Flon February 1976; Snow Lake and Thompson May 1976. Every effort will be made to provide service at an earlier date. CKY-TV has commissioned its consulting engineers to prepare a technical brief to enlarge its coverage in the Interlake region as a result of Provincial Government support for the re-allocation of Channel 13." And it goes on to cover some other matters here.

With regard to costs, Mr. Chairman, this matter of cost is always a rather contentious issue. I have a letter here that I can read, if members wish, but I don't know if it would serve any purpose like, you know, the contract . . . The Member for Roblin agrees, Mr. Chairman. The contract has been negotiated, signed, and I see no point in broadcasting all the details about it.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, I just want to tell the Minister that we know there will be a certain amount of boundary problems but we're prepared to face up to that. We know that there's a boundary problem even right now. You have it right now. And I don't care

CAPITAL SUPPLY

(MR. HENDERSON cont'd) whether you call it widening of exchange areas or meaningful exchange areas - you can use whichever term you like - the thing is, I'm concerned if you've got money that's set away that's earmarked to go ahead with that sort of a program. And I'm wondering if you would really say specifically, I don't care which term you're using - is there money going to be spent on that type of a program in the next year?

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: Mr. Chairman, what I was attempting to elaborate on, for the benefit of the Member for Pembina, was not merely a change in the name of the program, it was a change in the concept of the program. I thought he was knowledgeable of the concept of the EAS, or Extended Area Services program. That program would have brought together contiguous exchange areas up to a maximum, I believe, of 30-some miles. Now what we're talking about now . . .

MR. GRAHAM: How much money? How much money?

MR. TURNBULL: . . . is a meaningful exchange boundary, and that is a different kind or program, using essentially the criteria that I alluded to before, these social, economic and cultural ties in the various communities involved. The implementation schedule will be, when it get's going, approximately \$2 million per year for the provision of this kind of no-charge long distance calling within an exchange area. That is the approximate figure that we are talking about with the meaningful exchange boundary program.

MR. CHAIRMAN; The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman, I have some of the same concerns the Member from Pembina does with regard to the rural exchange problems. We seem to have more people moving out into rural Manitoba on five acre or 40 acre lots and, as a result, I know the lines have become packed pretty heavy with the number of people that are on one exchange, and this problem about running into another exchange, of course, is one I have in my constituency too.

But I would like to basically today ask the Minister several questions, and this is with regard to the direct long distance lines between Steinbach and Winnipeg. There's a fair number and I don't have the figures with me now - people that have a line that is direct-dial right into Winnipeg. I think they pay in excess of \$1,700 a year for that one. Some of the businesses have as many as two or three of these lines and it's quite a costly expense. I think, the last tally that I had, there was something like 75 lines running between Winnipeg and Steinbach that are direct-line. Some of the people have tried to use one line together but this causes all kinds of problems and the cost factor is only about \$500 difference if this is done. And I would like to ask the Minister if he has allowed anything in his budget for the expansion of this particular facility, which might lessen the burden on the particular businesses using this line.

The Steinbach business trade is closely knit with Winnipeg. I think that a certain charge should definitely be levied on these people who wish to use this additional facility in their business, but I think the cost of \$1,700 for a line - and I think it's gone up slightly - and \$1,200 to \$1,300 for sharing a line, I think that's a little bit too much, and I'm wondering if the Minister has allowed, in the capital authorization, any moneys which will sort of take the pressure off this particular type of service.

MR. CHAIRMAN: The Honourable Minister of Consumer and Corporate Affairs.

MR. TURNBULL: Mr. Chairman, the member is alluding to, I guess it's called "the car centre of Manitoba" - is that the name that Steinbach has for commercial reasons? Automobile City, I think it's called. He is talking about a, I think, dedicated line service from one particular business in Steinbach to Winnipeg. This service would enable, as I understand the way it's provided, enable anyone in Winnipeg to phone Steinbach without paying any charge. It also enables the people in Steinbach, of course, to tap the pool of prospective buyers in Winnipeg. That service, although it may seem expensive in terms of dollars, is a dedicated service for any particular business that wants it, and surely, despite its cost, it must pay the businesses in Steinbach to subscribe to that form of service. Although I have a Capital Budget program in front of me, it doesn't go down to the points of detail that the Member for La Verendrye has mentioned here, and it would have assisted me if I had had knowledge of that particular question before coming here today, and I could have had an answer for him. As it is, I'll have to take it as notice and if I have the opportunity later of providing the answer, I will. But just leave it at that - he's nodding concurrence, and I'll leave it there.

CAPITAL SUPPLY

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, I brought up this matter during the Minister's estimates, and again I brought it up when we met with the officials of the Manitoba Telephones, and that has to do with the dial phones that are going to be put into Cowan. As I pointed out at that time, the fear of the local people was that it would be piped into Pine River. As I pointed out to the Minister at the time, the commercial life of Cowan is tied in with Swan River. Now this, Mr. Chairman, this information has got down to the local people and they're quite concerned. I asked the General Manager as to what might be done in this respect and he indicated that the matter was under study, and I'd like to ask the Minister if he has any information on this indicating that the Cowan telephones, when this changeover is made, will be into Swan River rather than Pine River, and I wonder if there is anything in this capital authority requirements for Manitoba Telephones to take care of this. He possibly hasn't got the answer at the moment but I would ask him to look at this with all seriousness in order to accommodate the wishes of the people.

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: Mr. Chairman, the Member for Swan River has raised that point with me before and I thought that formerly I had provided him with the information that at the time had satisfied him.

There is going to be a cut-over at Cowan to dial. I don't know if it's been completed; I thought it was scheduled for the end of this year. Now there is a problem, as always. As I alluded to earlier, when new services are provided, you can put in automatic equipment which people think is good equipment and citizens feel it improves the kind of service they've got, but it also means of course that people in small communities can then phone the nearest trade centre rather than dealing with their local merchant. Now I believe that's what the Member for Swan River is really alluding to. Is that correct? And it's problematical in that if you're going to provide up-dated modern telephone communications, there will be some problems associated with the provision of that kind of service.

I don't think there is a ready answer for the Member for Swan River. If the new service is going to go in, the new equipment is going to go in, the routing of the calls from Cowan to wherever, will have to follow what the System's engineers consider to be the most economical route. And what that route is offhand I cannot specify, but I think that the member has indicated how it would go, that route being the most economic route, the way the calling patterns will develop after the cut-over to automatic dial equipment.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: I would remind the Minister that this has been a subject that I have brought up for several years, and we've finally come to the stage where dial phones are going to be put into Cowan and the people along those years have been assured that they would be tapped into the Swan River setup and it now appears, not only to me but to them, they're the ones that are concerned, it appears to them that they're going to have to go through possibly Cowan and Dauphin to get a call in to Swan River, go in the opposite direction. But, however, I can appreciate the Minister's opinion that it'll have to go in the direction by which the equipment will handle it, but if it's at all possible I would again appeal to him to meet the wishes of the people.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Chairman, I just want to reinforce the remarks of some of my colleagues and to record the concerns of the people of Minnedosa constituency who are experiencing the same problems as those expressed by my colleagues from Pembina and Steinbach and other areas. The enlargement of the service areas is of prime importance to rural residents and I realize the System have a planned program of extending these service areas and 1977 I believe was the date given to us in the Public Utilities Committee when the people from the Telephone System appeared before that committee.

This is, of course, affecting many areas in my constituency and I merely want to record the concerns of the residents there as expressed to me and have it recorded. I would urge the Minister to see that the schedule is at least adhered to and these programs are not delayed beyond the time limits as set down for enlarging the rural areas.

MR. CHAIRMAN: The item--passed? The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Chairman, I want to say a word on this item here, the Manitoba Telephone System, and express concern that is expressed by other

CAPITAL SUPPLY

(MR. McKELLAR cont'd) members. In my constituency I have 10 exchanges and only 3 of which are not dial at the present time, so that progress is being made, and I understand the Souris-Glenboro are going to godial next year, in '76.

But for the same reason I'm . . . one of the problems that has been mentioned here is that the small districts which were set up many years ago, and set up by the Public Utility Board and we all realize that, but I want to relate an experience which I had about 10 years ago and it involved an exchange at Alexander. And at that time because of the fact they were only 15 miles from Brandon they wanted to get in on Brandon exchange, and the telephone system at that time decided they would give them a vote and let them decide if they wanted in with Brandon exchange that they would pay Brandon rates which were about 60 percent higher than their rates at the present time - at least 60 percent higher than the Alexander rates. They all voted solidly in favour of going in with Brandon. That has been a very successful operation ever since, the fact that they can . . . because they do all their shopping in Brandon and its been very handy for these people.

Now I realize the equipment involved in handling larger districts, and I would imagine it would be quite a capital outlay, but I think in the long run, I think people . . . One of the, I think, things that we can be very fortunate in Manitoba for is the Manitoba Telephone System have handled that corporation over the years, handled it in a very efficient manner, and that applies to every government, Liberal, Conservative and your government. I think they've managed their affairs in such a manner that they've been able to keep a certain amount of progress each year and also keep their rates in line. And I suppose when I would be suggesting that instead of paying about \$3.00 a month they would go up to \$5.00, \$4.50 or \$5.00 a month . . . but in the long run that would be cheaper for most people in an area such as mine, in the Wawanesa telephone exchange, because we can only phone a small number of people - nine calls out of ten are practically on long distance, so in the long run, I think it would be a lot cheaper to pay 60 percent more, in the long run you'd be just as cheap or maybe cheaper. So I think it's been pretty well expressed and I realize that one of their first priorities will be to get everybody on dial phones and the other will follow maybe at a later date.

I don't know what size of an area to express, but I would imagine about four or five present exchanges would be a natural area to come under one exchange so that they would be able to phone a larger number of people with maybe an increase of 40, 50 percent in the cost of their monthly bill. But I think it would be a wonderful thing in rural Manitoba, and I suppose this will take five or ten years at least before this comes about.

One of the things that always amazes me when you come to Winnipeg is that you can phone about 550,000 people and never have to go on long distance. I realize they do pay more but they have a tremendous advantage in here of having that privilege of phoning. I could phone at least a thousand people in my exchange I suppose, give or take, then I have to go on long distance - 1,000 people. So this is one of the problems that we do have, but I realize you can't have progress all at once, you got to take it in stages. I suppose if we keep talking long enough and maybe 10 years or 15 years from now it will be a fact of life.

Now one of the problems I was just wondering about when they're talking about northern television, because of the fact we're having a third television station, Channel 12 coming into existence in Winnipeg this coming fall - I understand it's going to be under Global Network - I'm just wondering if we in southwestern Manitoba will - if they will be having microwaves to Brandon and have a station there in Brandon and what type of service, or have they contacted the telephone system regarding any possible plans regarding service in southwestern Manitoba?

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Chairman. I would like to endorse what has been said by other members of the Legislature. In Rhineland we have very much the same problems. One of the things that we would like to see of course would be larger exchanges so that we could do away with more of the long distance calls. We desperately need more private lines in our area because we have quite a bit of business establishing in rural areas and they find it very depressing when they want to use a telephone and somebody's wife is on there talking with some other lady and so on and they're tying up the telephone for long periods of time. So this is one area in which I wish that the government would see if they couldn't give us a little better service in the rural area.

We have a business over there which is of considerable size. They would like to get Telex

CAPITAL SUPPLY

(MR. BROWN cont'd)but the cost is prohibitive because they cannot get a private line and therefore this would require them to spend thousands of dollars in order to get Telex in which other businesses do not have to spend that are within the town limits.

So with those few comments, Mr. Chairman, I would like to see the Manitoba Telephone System give us a little better service in the rural area.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, the Telephone System could provide better service to all Manitobans, especially in the rural area, if they were willing to bear the total cost of the installation of the equipment required to provide that better service. There is no difficulty in providing improved service to any level that people wish to pay for. But I should remind honourable members opposite that the cost of the service they now presently receive is not totally borne by the people living in the rural areas and they should keep that in mind as they continually ask for improved services in the rural areas. I think that the system has a history of meeting the needs for improved service in rural and northern areas and that policy of improving service over time will continue as long as I am the Minister.

Members opposite tend to focus on parochial concerns of their particular areas when they're dealing with a telephone system. I should remind them that it is a provincewide system and that in this day of increasing pressure from the Federal Government there is need to protect the total system within the province if that system is going to continue to provide service to rural and Winnipeg and northern parts.

You should recognize in dealing with your parochial concerns that if the Federal Government expands on its constitutional powers, if it encroaches on provincial autonomy and jurisdiction and becomes the regulator of the Manitoba Telephone System then the level of service provided in Manitoba will be much the same as is provided, say in the Northwest Territories. And that level of service I can assure honourable members opposite is not what it should be.

The Federal Government has indicated repeatedly in a variety of papers it's published over the last two years that all forms of communication, in their opinion, are federal in scope and that would include provision of telephone service, voice, provision of data communication, the provision of interconnection devices on to telephone equipment and the provision of cable service. All of the citizens of Manitoba could benefit from Manitoba Telephone System authority and control over interconnect devices, over data communication and over cable hardware, and if members insist on dwelling on parochial concerns they may not concern themselves with encroachments by the Federal Government, they may see the telephone system hindered in its provision of service to the citizens of this province.

The point raised by the Member for Souris-Killarney with regard to third Channel TV, that is the CanWest Global Network, is a problem that will be dealt with first of all by the broadcaster itself. The telephone system provides service, that is the transmission and the broadcaster of course must meet DOC requirements, CRTC regulations to get a licence to provide any signal anywhere in the province. When it's in the process of getting that licence it can enter into agreements with the telephone system and the system always stands ready to meet the needs of any broadcaster in providing microwave equipment or other forms of broadcast equipment.

The member for Rhineland mentioned the problem which always seems to me to be one of the most important. That is the frustration that citizens may experience when they attempt to get onto a rural line and cannot get on it because somebody else is using up that line. I did indicate in my earlier remarks today that the target of the telephone system is to reduce subscriber line loading to four per rural line which is quite a good level, although that is not the level that has been reached in all areas of the province. When that target is achieved the problem he alludes to here of no access will be mitigated somewhat.

MR. CHAIRMAN: Item pass? Manitoba Water Services Board \$ 2,650,000. The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Chairman, I'd like to say a few words on the Water Services Board. Over the years we've, as rural members, tried to work with them and help the in-between guy within municipalities and the management, and in recent weeks this has become very evident that somewhere the people I think are trying, Mr. Weber and his staff, desperately to come up with a forecast prediction that will accommodate - and I'm speaking now of the Shellmouth Dam . . .

CAPITAL SUPPLY

A MEMBER: Hold it. Hold it. You're on the wrong item.

MR. CHAIRMAN: Point of order?

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): . . . Board, which is Town, Sewer and Water, and the Member for Virden wants to discuss an item that is away down at the bottom of the page, which is the Water Control Works. So he's on the wrong item at the moment.

MR. MCGREGOR: Oh, I'm sorry.

MR. CHAIRMAN: Item pass? The Honourable Member for Rhineland.

MR. BROWN: Mr. Chairman, there are many smaller towns within the Province of Manitoba that are anxiously awaiting water and sewer. We don't seem to have any indication from the government whether they are going ahead with connecting up rural towns, and I'm thinking of places like Plum Coulee and Rosenfeld in particular at the present time. I wonder if the Minister has any information as to when these towns can expect to get water.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Member for Rhineland would appreciate that we have been very aggressive in this program since the inception of it. We have serviced literally dozens of communities and there's no question that there are many more that would like to receive service and provincial financial support, and of course we are limited by the numbers of dollars that we appropriate every year for that program.

With respect to Plum Coulee in particular, it is on the intended list for this year, but you know I'm not sure that I can at this point foresee all of the difficulties, whether they be governmental difficulties or technical difficulties that may arise, but it is intended that Plum Coulee be considered during this year's program.

MR. BROWN: Thank you, Mr. Chairman. I wonder if the Minister could give us any indication of whether they are conducting any studies on the treatment of sewage. It seems to me that we have adopted the lagoon system from southern United States and I have never heard that Manitoba has conducted their own study on how to treat lagoon effluent. I wonder could the Minister tell us whether they intend to study this whole situation or whether they are going to continue on adopting what has been adopted in the southern States.

MR. USKIW: Mr. Speaker, there are new ways that have been developed the last number of years and we are certainly most anxious to cut costs in particular and to provide for a better service. We are aware that - at the university we have some facility there which is doing some research as well as I believe there's a research project at Brandon and I have asked our board to be ever cognizant of the latest innovations in this area. Keeping in mind of course the costs of those new ideas and new systems. So, yes, we feel that we are keeping on top of these things, but I cannot be more definitive at the moment.

MR. CHAIRMAN: Item pass? The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, if I may refer you to the item under Schedule B, Grants re Municipal Sewer and Water Systems, \$1,850,000. That is the grant component of the same program. I think honourable members will appreciate that they are both the same program and possibly we can agree that we will have passed this item of \$1,850,000 - pardon?

MR. USKIW: . . . Item 2 of Schedule B. It's all related.

MR. CHERNIACK: You mean Agricultural Services is under . . . agreement? Well, the Honourable Minister says that that is part of the same program.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Thanks, Mr. Chairman. I'd like to ask the Minister, what is the cost of putting the water and sewer into the Town of Mariapolis, and I'd like to know if he could give me the number of residences that were hooked up for the total cost?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well on Mariapolis, Mr. Speaker, we have here the total, or the global dollars. The loan amount was \$101,520, the grant was \$66,980, for a total of \$168,500. That is all of the breakdown that I have with respect to that community. If the member wants more information I shall attempt to get it for him, but I don't have that kind of detail.

MR. HENDERSON: You wouldn't have the residences?

MR. USKIW: Not at the moment, no, Mr. Chairman.

MR. HENDERSON: Would you mind getting it for me some time?

CAPITAL SUPPLY

MR. CHAIRMAN: It is agreed, then, that on item on Schedule B, Agricultural Services Centre for \$5 million and grants re municipal sewer and water systems in the amount of \$1,850,000? The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): . . . some explanation of what the Agricultural Service Centre agreement consists of, as well as the difference between the grants re municipal sewer and water systems as opposed to the Manitoba Water Services Board. If we can get that kind of an explanation then we will agree to that.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the members would appreciate that we have the two breakdowns here, the first one being a loan component of the same program; the bottom component is the grant portion. So that we are talking about \$2,650,000 in loans to municipalities or towns and villages, and grants to those same communities of \$1,850,000 for the same projects. It's broken down into two categories. The \$5 million under the Agricultural Service Centres agreement is in fact a \$5 million loan portion of the Canada-Manitoba Water Services Centres agreement, or Trade Centres agreement, and which is recovered from Canada. This is strictly a federal program which is dovetailed with our provincial water services program by formula, but which we get full recovery from Ottawa on.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I'd like to just say several words with regard to this Water Services Board. I think that the projects that have been undertaken, such as the one in Steinbach, have been of great benefit to the community and I would like to point out at this time that probably the biggest problem that we have in rural Manitoba in the smaller towns and villages is to get serviced lots. The cost of lots in the Town of Steinbach has shot up quite substantially over the last little while, and the only reason is that there is a shortage of serviced lots. A number of years ago we were building 40 houses a year and now all of a sudden 200, and we ran out of serviced lots in a matter of a year or two. And, of course, as the Minister is probably well aware, the lag time for developing a good sewer and water system and then the installation of the same, takes quite a while.

The other thing is that in another smaller village in my constituency, like the Town of Niverville, I know there's pressure on that particular council to go ahead and create a larger subdivision, but these people are faced with an already high mill rate. They realize that if they do allow another 150 homes to come in, in a subdivision, what will happen is that their sewage facilities will be inadequate, that their water facilities will be inadequate, and this once again puts a tax burden, not on the people that are moving into the new development, but the people that are on the existing lots and existing businesses there. So the council is viewing the prospects of expansion with mixed emotions because they know it's going to cost them money. It's going to cost the original ratepayer in that town or village a lot of money. And I think this type of a program where we can get together with the Federal Government and give assistance to these towns for the expansion of their sewer and water facilities, whether it be the treatment or the locating of new water sources, I would encourage the government to take a good aggressive stance and make good representations to the Federal Government so that in this way we can probably help the rural stay-option program and the different programs that this government is interested in implementing, and I think are of a certain amount of concern to the people that want to see the small towns in rural Manitoba grow and stay alive.

So with those few words, I would mention and I would like to encourage the Minister to make sure that the Federal Government does possibly even give us a little more money to look into these different problems.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think that the problems that the member outlines are not peculiar to communities in his constituency alone, but world-wide. You know, whenever you have an expansionary community, you naturally have related costs and there may be some negative feeling towards the additional subdivisions that are brought in, and so forth. It's always looked upon, at least in my experience, as a desirable thing. I have never thought that it was undesirable to have some expansion in the cities and towns of the province. The role of the Federal Government, however, you know, is welcome. We do appreciate the fact that the Government of Canada has contributed in the first agreement some \$5 million in loans and \$5 million in grants towards the larger centres of this province. We are hopeful that we

CAPITAL SUPPLY

(MR. USKIW cont'd) will have a second agreement signed soon for an additional \$5 million loan and \$5 million grant, and which is reflected in this estimate of \$5 million under the Trade Centres heading. We are hopeful that that agreement will be signed soon.

So we don't think that we should complain, in that we think the Federal Government is doing a fairly adequate job in providing for loans and guaranteed moneys towards this program. One would always want more, however, and that is a natural thing. But I have to commend the Government of Canada for participating in that program even as it is. I should like to point out to the Member for La Verendrye that notwithstanding the Federal-Provincial agreement, that those towns that do qualify for financial assistance under that agreement, they may also qualify for additional provincial financial assistance by way of loan or grant if their formula results in going beyond the moneys available to that community by the Government of Canada. So they can participate, both at the provincial level of financing, both in loan and grant form, as well as the federal level.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, I hesitate to rise again. I only wish the Minister had had the number of residences so I could be sure of my facts. I believe in bringing water and sewer to rural towns that have a future ahead of them, and I'm not saying that this particular town hasn't, but according to the information I received it was costing about \$17,000 per residence to bring the sewer and water into the Town of Mariapolis. Now this isn't practical to be doing this at all, because a town of that size has a very small growth potential and they'd be far better to have assistance to move to a larger area, or something like this, because to spend \$17,000 to put the sewer and the water into one residence - this is what the cost averages out to - is just ridiculous, because any of those homes that would be up for sale in that area would range in a value from \$5,000 to \$10,000, and this is just - seemingly to me, it's fixing up some old thing and spending three times too much on it. If you were repairing an old model car where you were going to put in a new motor, new radiator, new seats and the whole works and it wasn't worth it, you'd be better to forget about it in the first place. I'm not saying that these towns that have potential growth shouldn't have help, but if it's going to cost this much per area, it doesn't seem the thing to be doing.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Would the member clarify against what the \$70,000 charge is? Is it per what?

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: \$17,000, and it's for each residence that is hooked up to the water system in that town.

MR. USKIW: \$17,000?

MR. HENDERSON: \$17,000

MR. USKIW: Well, I don't know the number of residents in the Town of Mariapolis, Mr. Speaker, but if \$17,000 was the cost, I would have to assume that there were no more than seven or eight residents in that town, because the total project cost is \$168,000.

MR. CHAIRMAN: Item passed. Next item is Manitoba School Capital Financing Authority-18 million. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, are we still on Water Services?

MR. CHAIRMAN: No, we're off Water Services. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I wonder if the Minister could give us some indication of the detail of this \$18 million figure.

MR. CHAIRMAN: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Yes. Mr. Chairman, the \$18 million is made up as follows: The Public School Finance Board estimates that they'll be requested to purchase approximately \$17 million of debentures to finance projects which they have approved and are presently under construction, and they anticipate a possible \$5 million more for projects which have not been approved as of this date, and during the year 1975-76 - that is the current fiscal year - about \$4 million will be available in the principle repayment fund, thereby requiring 21 million to be borrowed by the province, and so with the purchase of the \$17 million debentures - so this will result in \$18 million being requested in the Capital Supply Bill. Our estimate at the present time is, I could indicate the school divisions

CAPITAL SUPPLY

(MR. HANUSCHAK cont'd) of which we haven't notice at the present time where debenture purchases will have to be approved. They range anywhere from a low of \$25,000, or \$20,000, to a high of \$3.9 million: Winnipeg 3 million; St. James-Assiniboia \$1.1 million; Assiniboine South 2 million; St. Boniface 850,000; Fort Garry 175,000; St. Vital 195,000; River East 1.4 million; Seven Oaks 160,000; Transcona-Springfield 3.9 million; Seine River 425,000; Hanover 20,000; Red River 150,000; White Horse Plains 50,000; Interlake 560,000; Lakeshore 415,000; Garden Valley 25,000; Mountain 30,000; Tiger Hills 345,000; Pine Creek 155,000; Beautiful Plains 360,000; Intermountain 230,000; Rolling River 175,000; Brandon 500,000; Souris Valley 20,000; Kelsey 100,000; and Western 162,000.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. McGILL: Mr. Chairman, I think I understand this now. The 17 million, the first figure mentioned by the Minister, was for debentures for projects approved throughout the various school divisions, and then there was 5 million more which was set up in anticipation of applications that would be coming in for approval. And did you say, then, that you had 4 million from a previous authority from last year that was still available, making the 17 plus 5 is 22, less 4 is 18, which we are now approving. Is that correct?

MR. CHAIRMAN: Pass?

MR. SHERMAN: Mr. Chairman, just before passing, I'd like to ask one question of the Minister, whether the work referred to in Fort Garry includes the plans for the new all-French school in St. Norbert? Is that in the budgetary undertaking under the school financing authority for Fort Garry that is before us at the present time?

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: I don't believe, Mr. Chairman, that St. Norbert is in Fort Garry School Division. I'll have to check the map. I was of the impression that it's in Seine River.

MR. CHAIRMAN: Item passed? The Honourable Minister.

MR. HANUSCHAK: Secondly, Mr. Chairman, I believe if the honourable member is referring to the same school that I think that he is referring to, there was approval given for the building of a school, and whatever program will be offered within it, that's the school board's decision and not mine.

MR. CHAIRMAN: Passed. Order please. The hour being 4:30, in accordance with House Rule 19 (2), I'm interrupting the proceedings of the committee for Private Members' Hour and shall return at 8:00 p. m. this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Private Members' Hour. First item is Bill No. 12, proposed by the Honourable Member for Morris. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Stand.

MR. SPEAKER: Bill No. 4. The Honourable Member for La Verendrye.

MR. BANMAN: Stand, Mr. Speaker.

RESOLUTION NO. 13

MR. SPEAKER: Resolution No. 13. The Honourable Member for Riel.

MR. DONALD W. CRAIK (RIEL): Mr. Speaker, this resolution was dealt with the last time it was around and I spoke very briefly on it. We have since that time had the estimates of the Manitoba Public Insurance Corporation come before us at the committee hearing, and I think the topic has been pretty thoroughly discussed. The resolution deals directly, though, with the concept of having the Minister present estimates of revenue and expenditures for the Corporation, to present them directly to the Legislature as the other departments are presented, and there are two, really two basic reasons, I think, that this probably is a reasonable request.

One is that, first of all, this is not a Crown corporation in the usual sense, in that it's headed up with its Chairman as an elected member of the Legislature and a member of the government benches, and being also a Cabinet Minister on the government side. And therefore, Mr. Speaker, it doesn't have the usual arm's length relationship that the other Crown corporations have, who may have representation on their board by an MLA but not in line of function

RESOLUTION 13

(MR. CRAIK cont'd) such as is performed by the Cabinet Minister in this case. In fact, this is probably the only example where we ever had a Crown corporation whose head of operations was also a Minister of the Crown. Therefore, it is not an arm's length type of operation such as the normal corporation as set up by the government, witness the Manitoba Hydro, the Manitoba Telephone System and others. So that's reason number one: First of all, it's a different type of a corporation established. The government, for its own good reasons which have never really been elaborated, has chosen to keep it very close to its political wing by making the chairman one of its own members and also a member of the Cabinet. Therefore the Member for Portage here has, I think, a reasonable request on those grounds, to have that person who sits on the Treasury benches present to the Legislature its estimates.

Reason No. 2 is that as a result of the statements at the Committee hearings, when the MPIC was scrutinized, indicate that the executive, the Manager and the Chairman don't regard this corporation as being a normal insurance corporation. They take the view that they can run deficits without any regard to the requirements of the Insurance Act of Canada; they cannot be bound by those strictures that are placed on the operations of other insurance companies. Therefore, you don't have the normal restraints put on a corporation, this corporation, that you would have in the private sector, and therefore it can operate very much simply as a government department that claims most of the rights and privileges of a normal company but is not bound by the strictures, the financial strictures, that are placed on other private and public companies. So reason No. 2 is that by their own statements, their own admission, they do not intend to operate by the normal procedures that apply to other companies in this field. They feel, in fact, by their own statements, that they can run their deficits and they can use their reserve for unpaid claims and other reserves to carry themselves through; although they may show it in their statement book as a reserve for unpaid claims, they'll use the cash flow from that to carry themselves through their deficit requirements. As a matter of fact, to a certain extent their financial statement is somewhat meaningless in comparison to the financial statements that would apply to companies that act under the Insurance Act of Canada. So reason No. 2 is that by their own admission they don't intend to have it run as a normal company operating in that business. They are quite prepared to disregard the problems that would normally be called deficits, and simply integrate them into their reserves, that other companies wouldn't be allowed to do.

So for these good reasons, Mr. Speaker, those two main reasons, I think that the Member for Portage is well founded in presenting a resolution to this House that requires the Minister, who is going to run this operation and sit on the Treasury benches, if he's going to run it like a government department why shouldn't he present estimates to this House like any other government department? Therefore we have no difficulty supporting the resolution.

MR. SPEAKER: The Honourable Minister of Autopac.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Would the honourable member permit a question?

MR. CRAIK: Sure.

MR. URUSKI: When the honourable member mentions that Autopac uses the funds that are reserved for unpaid claims to conduct its normal business, is he indicating that that is not the case in the private industry? That the companies in private industry do not use the funds they take in in the normal operations of their business?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, that's primarily the case. They're invested of course, like the Autopac would invest theirs, but as the Minister may want to know and I think it was pointed out at the meetings, that under The Insurance Act of Canada the test of adequacy says that assets must always exceed liabilities by at least 15 percent, and the test of adequacy indicating a 115 percent assets to liabilities would of course put Autopac right out of business. So that not meeting that requirement, they simply take their reserves that they have for other purposes from the liability side of their statement and use them to carry their deficits, and as a result can go on for some period of time until the deficits get so big that that can't happen, but in the meantime don't meet the test of adequacy that any other company has.

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, we intend to vote this resolution down because it's redundant and unnecessary. But I briefly want to give some of the

RESOLUTION 13

(MR. JOHANNSSON cont'd) reasons why we feel it's redundant.

The honourable member presents to us right now an argument which he presented in Committee, which is a ridiculous argument. He claimed in Committee that Autopac was not run like a normal private insurance company, that it was not bound by the Insurance Act of Canada and that it did not operate as a private insurance company does. And of course it doesn't. It doesn't have to. The reason for the requirements of the Insurance Act of Canada, the requirement for example that assets exceed liabilities by 15 percent, is to protect the customers, or to avoid bankruptcy which would adversely affect the customers of the insurance company. And obviously Autopac isn't in danger of bankruptcy. It has the credit of the Province of Manitoba behind it.

The Manitoba Public Insurance Corporation has not drawn upon the province, the Consolidated Fund of the province. It's been able to use its reserves to cover shortfalls. And of course the intention is, over the next number of years, that premium incomes which have been increased by increases in premium this year, will gradually pay back the deficit and Autopac will run on a break-even basis, or it will hopefully have a surplus over the next couple of years. That is the objective and of course it's an objective that the private companies over the last couple of years haven't been realizing. They have had shortfalls over the last couple of years and we know now from reports that are coming out, we're getting some idea of the extent of the shortfalls that they have suffered.

Now, briefly, this resolution is redundant. The members of the Legislature who are on Public Utilities Committee have just passed the Annual Report of Autopac. They had the opportunity to question at any length they wanted to question the Chairman of the Board and to question the General Manager and the senior staff of Autopac. And this is, of course, the common practice with Crown corporations.

The Minister's salary will be placed before this House under Executive Council Estimates in your Estimates Book, 1(b) mentions the Minister without Portfolio's compensation. This is the point in Estimates at which you will debate the salary of the Minister in charge of Autopac. So you have an opportunity there to debate the Minister's salary.

The compensation for his secretaries, their salaries and so on, is covered under (c) - Administrative Salaries. So at that point you can debate Autopac in principle.

We have already had two resolutions before this House on Autopac and these have been debated ad nauseum and will be, I gather, continued to be debated ad nauseum. --(Interjection)- I'm merely paying you back. If I have to suffer here through a great deal of garbage, I'll let you know what it feels like.

You have had a chance to debate Autopac on the Throne Speech, on the Budget Speech, on grievances. So you've had ample opportunity to debate Autopac.

And one final point. The purpose of Estimates is to allow the Legislature control of the purse, to allow legislative approval for any expenditure of funds from the Consolidated Fund. Now Autopac gets no appropriation from the Consolidated Fund. Autopac does not get an appropriation from the Consolidated Fund, so it is different in this respect than an ordinary government department. As I said, the Minister's salary and his office are paid through Executive Council. The resolution is redundant; it's unnecessary; the topic has already been debated to death, and therefore we intend to vote against the resolution.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. I've been sitting here listening to different debates, and having been involved in business myself for a little while and knowing that if the figure at the end of the year shows red, you're in trouble, I daresay that we're in real trouble right now.

The Member from St. Matthews just displayed something here that I think the taxpayers of Manitoba are beginning to realize. He says that it doesn't matter if we lose a little money. It's the people of Manitoba that will be paying if anything goes wrong. We don't have to operate under the guidelines the other private companies do, because we've got all those taxpayers out there. They're behind us. And if we need a little more, all we do is say, "We need more money." And this is the thing that . . . Mr. Speaker, they talk about raising the premium. I brought this up last time. If Autopac wants to have some fantastic rates, why don't they just go ahead and do like B.C. did? Lose 32 million. Budget for a \$32 million deficit. That way you can keep your rates a lot lower and you can say your rates are the lowest in Canada.

RESOLUTION 13

(MR. BANMAN cont'd)

Mr. Speaker, I suggest to you right now, two weeks ago I got up in this House and said that they were going to lose \$10 million this year. In the first quarter they lose five million and they say they're going to try and recoup it. But when you listen to the statements of the General Manager from Autopac, he says, "Well, we're trying to keep the same number of claims. "But claims costs are up over 20 percent and operation costs are up over 20 percent. They anticipated to get \$60 million worth of premiums this year. They were going to write \$60 million worth of premiums. However, last year they paid out \$60 million worth of premiums - or \$60 million worth of claims on operation costs. They say their costs are going to be up 20 percent, which means that they'll need \$72 million. So it doesn't take an actuary to figure a thing like that out. I'm sure the members opposite can figure out that unless we don't have any hailstorms and that unless everybody puts their car up on blocks, we're not going to have a loss this next year.

Mr. Speaker, I think the most interesting statement that was made in the Committee was by the General Manager when he said, "It's a whole different ball game." You cannot compare this Crown corporation with a private corporation. You can't. They're running on totally different guidelines. And as the Member for St. Matthews pointed out very nicely, we've got all those taxpayers. If anything goes wrong, they'll pay.

Mr. Speaker, that is I think the type of mentality that is scaring the people of Manitoba today, whether it be with Autopac or whether it be with Manitoba Development Corporation, because they know when the boys over there start spending their money and start spending money out of the provincial coffers, it's going to cost, and it's only going to cost one person - that's the taxpayer of Manitoba.

So, Mr. Speaker, I think that it's very important that this Legislature scrutinize these Estimates and that they be treated as any other Crown corporation and that the Minister be responsible to this Legislature. As expressed by my colleague, the Member from Riel, we'll be voting for this resolution and I hope to goodness that the people of Manitoba realize that they're the ones that are footing the bills and that the gentlemen opposite are the ones that are going to be digging ever deeper, deeper into their tax pocket. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, replying to the comments of the Honourable Member from St. Matthews yesterday when he used the word "hypocrisy," I've taken the time to go back through Hansard and get all the statements that were made by these so-called New Democrats or socialists. It's very interesting reading, Mr. Speaker, when you look at this resolution that's before us now, and it all hinges around the question that was raised by the Honourable Member from Assiniboia when he said, he asked the question: "Can you tell me, yes or no, do you believe that the automobile insurance plan should be subsidized by all the citizens of Manitoba? Do you believe yes, or no?" And the Honourable Member for Corrections, he was the first one to answer it. He said, "No, I don't believe it should be and it's not going to be subsidized." Now that was the comments of the Member from . . .

Next, the great Minister of Labour rose to his feet and he said, "The incidence of litigation in automobile insurance claims, which is quite prevalent today, becomes relatively insignificant under a government automobile insurance industry." He goes on, and in his further remarks the Minister of Labour espouses and says, "There will be so much faith guaranteed in this province because of the progressive, forward-looking government" - imagine, forward-looking government - "that people will flock from all sides into Manitoba." That was the Minister of Labour's statement about Autopac.

. . . . continued on next page.

RESOLUTION NO. 13

(MR. McKENZIE cont'd)

And now the Member for St. Matthews, his great oration comes next. He says, "The present system tends to encourage over-reaching and dishonesty." Dishonesty. Not hypocrisy, he's using dishonesty in this case. "Cases are settled on a case to case basis. Faults must be determined and fault is a very easy concept which is very difficult to establish. Unfortunately, many people do try to rook insurance companies, and insurance companies by this system are encouraged to give too generous awards for too small claims, and too small awards for larger claims." And he was going to solve all those problems with that submission of which he, I hope, has told his Minister, because that's one of the problems that his Minister has got today - paying too generous awards for small claims and too small awards for larger claims.

Then he goes on and he talks about efficiency, the Honourable Member for St. Matthews. Efficiency. He says, "The present system is inherently inefficient. The one thing that I do remember very vividly about the period of a little over a year in which I worked in insurance, was the unbelievable inefficiency of the system." Now, what could be more crude and archaic than this system that we're trying to make work in this province; known as Manitoba Public Insurance Corporation?

Then the former Attorney-General, he wades in, and he says the insurance business is fine when their friends are reaping the profits, but it's time to moan and groan when the people might call the tune. That was the former Attorney-General. And I guess that's why he never got back into office - that statement. And the former Attorney-General, he waded in again and he said, "It is agreed that the private automobile insurance industry is failing to deliver the goods. There is no question in my mind, Mr. Speaker," he said, "that the issue we have before us deals with a system which is indeed very sick." And if you can show me anything more sicker than Manitoba Public Insurance Corporation, then I would like to see, in the history of this government.

Then the Minister of Tourism, Recreation and Cultural Affairs, he gets into the debate, and it's very interesting what he had to add to the debate. He said, "In the private monopoly, there is no formal appeal mechanism, nor, and this is most important, nor is the private monopoly accountable to me in any way, shape or form." And what are we complaining about in this resolution? That they are not accountable to us because we can't have the Minister bring the estimates before the House. No. We're asking the Minister to bring the estimates in the House where they can be dealt with and dealt politically. But that . . . because he says, "nor is the private monopoly accountable to me in any way, shape or form."

He goes on then later and he says, "The private monopoly is accountable only to itself." Now show me the difference of the Public Insurance Corporation. Who is it accountable to? You won't even let us examine the estimates. --(Interjection)-- Vote against it. Vote against it. Right? And the Minister of Tourism and Recreation goes on, he says, "The private monopoly is accountable only to itself, not to the public." And that's what we're asking, that the estimates be brought into the House so that this Corporation is accountable to the public.

He goes on; he says, "But right now, Mr. Speaker, the insurance industry is spending my money in organizing other Manitobans to tell me I'm not a lover of freedom. Well, Mr. Speaker, I'm not a lover of their freedom to abuse my money. The public plan will be accountable to me through this very Assembly." "The public plan will be accountable to me through this very Assembly," and that's what we're asking for in this resolution, which the Minister of Tourism and Recreation, he supports that concept.

Now I don't know how he can vote against the resolution. He goes on. He says, "The public plan will not be able to mount a thinly-disguised political campaign with funds collected unpolitically from Manitobans who want an automobile insurance service and not a political propaganda machine." There was a good one. And he goes on and on, and he says, "The public plan takes the decision-making process out of the company's board room and into the hands of the people where it really belongs." And that's what we're asking for in this resolution. We want Autopac, the public insurance plan, take the decision-making process out of the company's board room and we want it into the hands of the people right in this Legislature, Mr. Speaker. That's what the Honourable Member for Portage is asking for in this resolution, so that we can deal with it as politicians right in here, which is the board

RESOLUTION NO. 13

(MR. McKENZIE cont'd). . . . room of the corporation, right in this Chamber. And it goes on . . . well it takes hours to read all these tremendous words of wisdom into the record, Mr. Speaker. --(Interjections)-- Because there's pages and pages of this, you know, great philosophy of how they're going to build this insurance empire and pay all these profits back to the people of this province.

MR. SPEAKER: Order please.

MR. McKENZIE: The Minister of Mines, his comments are very interesting. He said, "The best way of ensuring that the capital will remain in the province is for that capital to be controlled by the people of the province." With all these losses, it's the people's money all right - it sure is - but it's not being controlled. He says that there's no doubt - we don't have to worry about whether the Manitoba Public Insurance Corporation is going to leave Manitoba or not. We won't let it leave Manitoba. That was the words of wisdom. He goes on; he says, "These insurance companies" - who were such dastardly people in those days, who were investing capital and wanted to produce jobs in Manitoba - "they couldn't find a printer in Manitoba who could produce this piece of material," and so on and so forth.

The Minister of Health - and of course he was the one that cast the deciding vote, or I believe he moved from this side of the House over to that side of the House to change this whole concept of insurance, and maybe he is the one that should be blamed for this fiasco that we've got, because without it he'd have stayed over here and voted with us, we wouldn't have had this mess today or we wouldn't be appealing here for the Minister to bring his estimates into the House so that we could deal with it. But the Minister of Health says; he says, "No, I say I'm voting for permissive legislation. I'll deem that I'm allowing permissive legislation, and I say that if at the time when this comes up I'm not satisfied that this is not just the start of a wholesale nationalization, that if I feel that this is what happens to a monopolistic plan, then I have a chance to move a vote of non-confidence." And now I'm asking the Minister of Health to show that vote of non-confidence in his own government in his own Minister, and give us a hand to have the estimates brought into the House and dealt properly with by the politicians that we are, who should be dealing with it.

A MEMBER: We're the Board of Directors.

MR. McKENZIE: The Minister of Municipal Affairs, he goes on; he says, "I feel very firmly that this legislation will go down in the history of this province as one of the most social, most humane pieces of legislation that was ever passed in this House." Isn't that a statement? And so on and so on it goes, and there's comments from all those great authors across the House, Mr. Speaker, who knew so much about insurance, knew what kind of savings and service they were going to provide the people of this province, but, Mr. Speaker, we find - who were the hypocrites? The Member for St. Matthews who raised the question of hypocrisy yesterday in this House, Mr. Speaker, he must do some soul-searching with himself and the members of his party, because this is not what you promised the people of this province. We are concerned about it. We want the Minister to bring the estimates in the House. We, the politicians, want to examine it on a political basis because you're using Autopac for political basis, so why not bring the estimates in the House and let's deal with them politically the way they should be?

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. JOHANNSON: Yes. Would the honourable member permit a question? Is he aware of the fact that the Minister's estimates are going to be debated in this House under Executive Council?

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: If that is what he calls debating estimates in a House, then I think he better go back to the dictionary and take another look at the word. That's a line by line debate. I'm talking about detail.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Well, Mr. Speaker, I . . .

MR. SPEAKER: Shall be closing debate.

MR. G. JOHNSTON: I listened to the Member for St. Matthews with interest, as he was obviously trying to back up the Minister, and make a case of the proposition that there's absolutely no need for the Minister to present a set of estimates in the House, and I think he made a big thing out of the fact that we could debate the estimates of the Minister of Autopac

RESOLUTION NO. 13

(MR. G. JOHNSTON cont'd). . . . in the Throne Speech, in the Budget Speech, by way of a grievance. And, of course, he didn't mention it, but it can also be debated by a Private Member's resolution, which is what we're doing. Well if we take that argument, we can use that for every department in the Legislature. There's no need to present estimates by any ministry whatsoever if we follow that line of reasoning, which of course we all know it's absolutely ridiculous. It's a ridiculous answer to try and support a position that he's having difficulty in defending.

The only thing that I feel sorry for the Minister of Autopac about is that he spends most of his time in his office defending his estimates writing letters to the editor. Why doesn't he defend them here? We're the people's representatives. But he must spend many long hours in the evenings, I think, or he probably has his staff do it for him - I don't know which. But he's got a continual flow of letters to the editor defending his estimates, defending his department. It's pathetic, that's what it is. You know, we're offering him the opportunity to explain and defend his estimates here and he doesn't want that opportunity. He obviously doesn't want it.

The very fact that we have a Public Utilities Committee - I think the Minister loses sight of the reason for a Public Utilities Committee. The public utilities of Manitoba, namely, the Telephone System and the Hydro System, were founded many many years ago on a common approach by the Legislature. There was no great division of opinion in starting either one of these two utilities for the good of all the people. --(Interjection)-- Yes. The Minister of Health says that's socialism brought in by another party, and that's quite true. But I think he'll agree with me that it was brought by a very huge majority of consent that it was good for the people of the province. Autopac was brought in by a scant majority in the House and to this day there's a great deal of division amongst the people as to the merits of whether or not the government should be in this business or not. And so let him not say that this is just another utility that's going to the Utility Committee. I believe the Utility Committee has, what? 15 members? 12 members. And 12 members have the right to vote. Well, every member of the House can ask questions, only 12 members of the House can vote. So the fact that he's comparing Autopac to other non-political utilities is absolute nonsense, because we know by the actions of the government in the last two years that Autopac is controlled in a political manner, and let him not deny that. The rates are set by Cabinet. He knows that. It's a political operation from the word go. If it were a self-sustaining company, I would give the General Manager more credit because I know that he would bring in rates that were realistic and it wouldn't be a losing proposition year after year. But the Cabinet pulled down the rates because they're trying to keep some of the offhand promises they made that they would have very low rates and there would be no debts incurred, and they know they can't keep that promise, they're caught on the hook, so they're ordering Autopac, through the Minister, to hold the rates down regardless of whether it's losing money or not.

Now the Member for St. Matthews gave as one of the reasons that there's no need for Autopac to be debated in the House as a department with estimates, he said they're not drawing any money from the Consolidated Fund. Well, Mr. Speaker, I think the member's been in the House for about six years now and I'm sure he must read the odd bill that crosses his desk, but Bill 40 that crossed his desk on May 14th, on Page 2, Section 36(3), "Authority to pay from Consolidated Fund" is the title of the section, and of course the section deals with the giving of the two cents a gallon gas tax collected for and into the Consolidated Fund, to give this money over to Autopac. So let him not stand here and say that Autopac is not receiving money from the taxpayers at large. It certainly is. As soon as this bill is passed, it's retroactive, I believe, to April 1st. --(Interjection)-- Who pays the gas tax? I suggest that all the people that have a car or a vehicle of any kind pay gas tax. I think he should know that.

So, Mr. Speaker, both the Minister and the Member for St. Matthews have explained why they are not going to support the resolution, and of course we expect them to take that approach because they don't want open debate on what they thought was their pride and joy, their creation. They want this thing to be done with and over with, and let it please be left along for another year, and of course next year they know they'll have to go through a certain amount of harrowing questions because obviously they're going to keep to their annual \$10 million deficit - it's well on the way again this year. And I don't blame them for not

RESOLUTION NO. 13

(MR. G. JOHNSTON cont'd) wanting to discuss the estimates of Autopac in the House, but I think the members on this side have made the point that it's a political operation, being run by politicians, and they should have the decency to bring it in the House and let it be discussed by the politicians.

QUESTION put, MOTION declared lost.

MR. G. JOHNSTON: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The resolution before the House is No. 13 by the Honourable Member for Portage la Prairie.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs. Axworthy

Banman

Bilton

Blake

Brown

Craik

Graham

Henderson

Johnston (P. la P.)

Messrs. Jorgenson

McGill

McGregor

McKellar

McKenzie

Minaker

Patrick

Sherman

Spivak

NAYS

Messrs. Adam

Barrow

Bostrom

Boyce

Cherniack

Derewianchuk

Desjardins

Dillen

Doern

Evans

Gottfried

Hanuschak

Jenkins

Messrs. Johansson

McBryde

Miller

Osland

Paulley

Pawley

Petursson

Shafransky

Toupin

Turnbull

Uruski

Uskiw

Walding

MR. CLERK: Yeas 18, Nays 26.

MR. SPEAKER: In my opinion the nays have it, and I declare the resolution lost.

I believe it's close to 5:30; I'll call it 5:30. The House will reconvene at 8:00 p.m. in Committee of Supply.